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ABSTRACT

A bill amending the Public Health Service Act (Title VIII) to extend programs of assistance for nurse education is addressed in this congressional report. After briefly reviewing the background and need for the legislation, a section-by-section analysis is presented. H.R. 2370 extends for 3 years the following programs in nurse education: special project grants and contracts, program support for advanced nurse training, program and student support for nurse practitioner and nurse midwife training, traineeships in advanced nurse training, and traineeships for nurse anesthetists. The bill also creates a new authority for special demonstration grants and authorizes nurse practitioners who have incurred a service obligation in return for traineeship support to satisfy that obligation by working in a public health care facility. The demonstration projects are designed for both noninstitutional settings and for geographical and shortage specialty areas. Another new program initiative focuses on clinical nursing programs for acute-care, long-term care, and ambulatory care facilities. The bill also covers construction assistance, capitation grants, financial distress grants, and student loans. Included are views of four congressmen about nursing care for the elderly, which is one focus of the bill. (SW)

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NURSE EDUCATION ACT OF 1985

JUNE 5, 1985.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. DINGELL, from the Committee on Energy and Commerce,
submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 2370]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce to whom was referred the bill (H.R. 2370) to amend the Public Health Service Act to extend the programs of assistance for nurse education, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 2, strike out lines 6 and 7 and insert in lieu thereof the following:

(1) paragraph (4) is amended to read as follows:

"(4) demonstrate improved geriatric training in preventive care, acute care, and long-term care (including both home health care and institutional care);";

Page 3, strike out lines 2 through 20 and insert in lieu thereof the following:

lows: "For payments under grants and contracts under subsection (a), there are authorized to be appropriated \$9,500,000 for fiscal year 1986, \$9,980,000 for fiscal year 1987, and \$10,500,000 for fiscal year 1988."; and

(2) by striking out "1981" in the second sentence and inserting in lieu thereof "1985".

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Page 4, add after the period in line 11 the following:

The Secretary shall give priority to applications for projects for geriatric and gerontological nursing.

Page 4, strike out lines 14 and 15 and insert in lieu thereof the following:

\$16,500,000 for fiscal year 1986, \$17,325,000 for fiscal year 1987, and \$18,200,000 for fiscal year 1988."

Page 5, line 13, insert after "patients" the following:

(including the problems in the delivery of preventive care, acute care, and long-term care (including both home health care and institutional care) to such patients).

Page 7, strike out the dollar sign in line 9 and all that follows through line 11 and insert in lieu thereof the following:

\$12,000,000 for fiscal year 1986, \$12,600,000 for fiscal year 1987, \$13,230,000 for fiscal year 1988."

Page 8, strike out lines 21 through 23 and insert in lieu thereof the following:

\$11,500,000 for fiscal year 1986, \$12,100,000 for fiscal year 1987, \$12,700,000 for fiscal year 1988."; and

Page 9, strike out the dollar sign in line 23 and all that follows through the period in line 25 and insert in lieu thereof the following:

\$800,000 for fiscal year 1986, \$840,000 for fiscal year 1987, \$880,000 for fiscal year 1988.

Page 13, insert after line 8 the following:

SEC. 8. LOANS.

Subpart II of part B of title VIII is amended by adding at the end the following:

"GENERAL PROVISIONS

"SEC. 842. (a) The Secretary is authorized to attempt to collect any loan which was made under this subpart, which is in default, and which was referred to the Secretary by a school with which the Secretary has an agreement under this subpart. Such a collection shall be made on behalf of such school under such terms and conditions as the Secretary may prescribe (including reimbursement from the school's student loan fund for expenses the Secretary may reasonably incur in attempting collection). Such a collection may be made only if the school has complied with such requirements as the Secretary may specify by regulation with respect to the collection of loans under this subpart. A loan referred for collection shall be treated as a debt subject to section 5514 of title 5, United States Code. Amounts collected shall be deposited in the school's student loan fund. Whenever the Secretary desires the institution of a civil action regarding such loan, the Secre-

tary shall refer the matter to the Attorney General for appropriate action.

"(b) In any case in which the Secretary intends to terminate an agreement with a school under this subpart, the Secretary shall provide the school with a written notice specifying such intention and stating that the school may request a formal hearing with respect to such termination. If the school requests such a hearing within 30 days after the receipt of such notice, the Secretary shall provide such school with a hearing conducted by an administrative law judge."

PURPOSE AND SUMMARY

The bill H.R. 2370 reauthorizes and amends a number of programs for the aid of nursing students and nursing schools, as contained within Title VIII of the Public Health Service Act. Several other nursing education authorities are not renewed and a number of others are repealed.

The bill extends for three years the following programs in nurse education:

1. Special project grants and contracts;
2. Program support for advanced nurse training;
3. Program and student support for nurse practitioner and nurse midwife training;
4. Traineeships in advanced nurse training; and
5. Traineeships for nurse anesthetists.

The bill also creates a new authority for special demonstration grants and authorizes nurse practitioners who have incurred a service obligation in return for traineeship support to satisfy that obligation by working in a public health care facility.

BACKGROUND AND NEED FOR THE LEGISLATION

The Federal government has provided financial assistance for nursing education since the 1930's. The first comprehensive Federal authority to provide funds for such programs was established in 1964, with the enactment of the Nurse Training Act of 1964, Public Law 88-581. This legislation, which consolidated and expanded existing programs of support in a new Title VIII of the Public Health Service Act, was passed in response to perceived shortages of professional nurses in the country.

The nurse training authority of Title VIII has provided essentially two kinds of assistance—institutional support for nursing schools and financial assistance for nursing students. This support has increased the enrollments and graduates of nursing educational institutions. It has provided student financial assistance in the form of loans and traineeships and has also increased the opportunities of nurses to obtain advanced training to become nurse practitioners, nurse midwives, nursing administrators, and clinical nurse specialists.

Title VIII was last extended by the Omnibus Budget Reconciliation Act of 1981, Public Law 97-35. In the 98th Congress, the bill S. 2574, an omnibus bill which contained, among other provisions, reauthorization of Title VIII, was passed by both the House and the

Senate but vetoed by the President. In fiscal year 1985, the Title VIII authorities received appropriations of \$50.3 million. In addition, DHHS estimates that \$18 million will be available in nursing school revolving loan funds for new nursing student loan awards in each of the fiscal years 1984 and 1985.

The Nation's supply of registered nurses has increased dramatically since 1964, when Title VIII was established. At that time there were 550,000 registered nurses in the country. The Surgeon General's Consultant Group on Nursing concluded in 1964 that the Nation would need 850,000 nurses by 1970 to provide a satisfactory level of nursing services. Today there are nearly 1.7 million nurses nationwide. Of this total, approximately 1.3 million are employed in a health care or educational settings.

Since the Surgeon General's Group report, however, a number of other studies have noted a significant shortage in nurses educated for specialized and independent practice. The Report of the Institute of Medicine of the National Academy of Sciences to this Committee found that there was and would continue to be a shortage of nurses with graduate level training for clinical and professional service. The Report went on to recommend increased Federal support for nursing education.

As recently as 1984, the DHHS has reported to Congress that there will be a serious shortfall of nurses educated for advanced practice. DHHS has estimated that within 15 years, the national supply of nurses with graduate education will be only half that needed for practice. As resources for health care for the poor become particularly scarce, the prospect of shortages of nurse midwives and nurse practitioners is especially disturbing, for these professionals have been demonstrated to provide care of high quality to the poor at relatively low cost.

NURSE MIDWIFERY

The Committee has made a number of changes in Title VIII relating to the education of nurse midwives. The Committee has also retained the provisions of current law that gives priority to nurse midwives for advanced training traineeships. In various hearings—both oversight and in preparation for the present legislation—the Committee has been impressed by the important role that nurse midwives play in caring for poor women, infants, and families. The Committee has also noted that nurse-midwives play an increasingly significant part in the reduction of health costs through innovation in care and in services delivery. The Committee intends that the Secretary use the various authorities to Title VIII to increase the number of nurse-midwives who graduate each year, both by increasing the capacity of existing educational programs and by assisting new programs.

NURSE PRACTITIONERS

The Committee has noted that few, if any, traineeships have been awarded in recent years under the authority of Section 822. With the understanding that much of the difficulty has arisen from the problems of finding placements for obligated nurse practitioners within health manpower shortage areas (HMSAs), the Commit-

tee has amended the payback requirements to allow practitioners and midwives to fulfill their obligation by working in public health care facilities. This amendment is not intended to end the placement of such professionals in HMSAs; if appropriate positions are open, clearly such areas should receive special attention. But the Committee intends that the independent program to provide traineeships be re-established and that traineeships be made available to those students who will commit themselves to working within public health care facilities also.

SPECIAL PROJECTS

The Committee has created authority for a new program under Title VIII for demonstration projects. At a time when spending on health care exceeds 10 percent of the GNP, it is important to develop more cost-effective, innovative methods of health care services delivery. The Committee believes that the nursing profession is an underused source of assistance in easing inflationary pressures in health care and is especially concerned that the preventive health and health promotion training and skills be more adequately used.

Under the new demonstration authority, the Secretary may make grants to schools and to other non-profit entities to support clinical nurse education demonstration projects, in institutions as well as in homes. The Committee anticipates that the Secretary will give particular emphasis to projects to demonstrate innovative ways to provide improved, more effective long-term for the elderly, with a special emphasis on preventive health care.

The Secretary is also to fund projects to demonstrate improved methods for expanding access to nursing practice arrangements in the community. Such demonstrations should provide information on the costs, effectiveness, and accessibility of such projects and on payment policy and problems. In addition, the Secretary is authorized to fund programs to encourage nurses to practice in HMSAs. The Committee expects that the knowledge gained from this authority will provide the Federal government and private payors with valuable experience to study proposals for changes in reimbursement policy.

HEARINGS

The Committee's Subcommittee on Health and the Environment held 1 day of hearings on H.R. 2026 on April 25, 1985. Testimony was received from 3 witnesses, representing the Administration and 31 organizations.

COMMITTEE CONSIDERATION

On May 2, 1985, the Subcommittee on Health and the Environment met in open session and ordered reported the bill H.R. 2026, as amended, as a clean bill by a voice vote, a quorum being present. On May 22, 1985, the Committee met in open session and ordered reported the bill H.R. 2370, with amendments by voice vote, a quorum being present.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 2(1)(3)(A) of Rule XI of the Rules of the House of Representatives, no oversight findings or recommendations have been made by the Committee.

COMMITTEE ON GOVERNMENT OPERATIONS

Pursuant to clause 2(1)(3)(D) of rule XI of the Rules of the House of Representatives, no oversight findings have been submitted to the Committee by the Committee on Government Operations.

COMMITTEE COST ESTIMATE

In compliance with clause 7(a) of rule XIII of Rules of the House of Representatives, the Committee believes that the cost incurred in carrying out H.R. 2370 would be:

H.R. 2370: THE NURSE EDUCATION EDUCATION ACT OF 1985

Section and program	Fiscal year—		
	1986	1987	1988
815 Financial Distress	0	0	0
820 Special Projects	9.5	9.98	10.5
821 Advanced Education	16.5	17.325	18.2
822 Nurse Practitioners and Midwives	12.0	12.6	13.23
830 Advanced Traineeships	11.5	12.1	12.7
831 Nurse Anesthetists	8	84	88
837 Student Loans	0	0	0
Total	50.3	52.8	55.51

CONGRESSIONAL BUDGET OFFICE ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, June 3, 1985.

Hon. JOHN D. DINGELL,
Chairman, Committee on Energy and Commerce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached revised cost estimate for H.R. 2370, the Nurse Education Act of 1985, as ordered reported by the House Committee on Energy and Commerce on May 22, 1985.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,
Sincerely,

ERIC HANUSHEK
(For Rudolph G. Penner).

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 2370.
2. Bill title: Nurse Education Act of 1985.

3. Bill status: As ordered reported by the House Committee on Energy and Commerce on May 22, 1985.

4. Bill purpose: To amend the Public Health Service Act to extend the programs of assistance for nurse education.

5. Estimated cost to the Federal Government:

(By fiscal year, in millions of dollars)

	1986	1987	1988	1989	1990
Authorization levels:					
Special projects	9.5	10.0	10.5		
Advanced nurse education	16.5	17.3	18.2		
Nurse Practitioner and Midwife Program	12.0	12.6	13.2		
Traineeships	11.5	12.1	12.7		
Nurse anesthetists	8	8	9		
Total authorization levels	50.3	52.8	55.5		
Estimated outlays:					
Special projects	2.5	7.5	9.6	7.6	2.4
Advanced nurse education	4.4	12.9	16.7	13.2	4.1
Nurse Practitioner and Midwife Program	3.2	9.4	12.1	9.6	3.0
Traineeships	3.0	9.0	11.6	9.2	2.9
Nurse anesthetists	2	6	8	6	2
Total estimated outlays	13.3	39.4	50.8	40.2	12.6

The costs of this bill fall within function 550.

Basis of Estimate: All authorization levels are stated in the bill. We assume authorized amounts are fully appropriated at the beginning of each fiscal year. Outlays are estimated using spendout rates computed by CBO on the basis of recent program data.

This bill would reauthorize nursing education programs for three years. It would also allow the federal government to attempt to collect any loan in default made from Nursing Student Loan program revolving funds. Amounts collected would be put back into the nursing school's revolving loan fund. The federal government would incur the costs of attempting loan collection. CBO expects these costs to be less than \$500,000 in each fiscal year.

6. Estimated cost to State and local governments: The budgets of state and local governments will not be affected directly by the enactment of this bill.

7. Estimate comparison: None.

8. Previous CBO estimate: CBO previously prepared an estimate for H.R. 2370 on May 24, 1985. The current estimate shows one authorization level for all nursing special projects. The previous estimate incorrectly showed authorization levels for special projects that were too high by \$2 million, \$2.1 million and \$2.2 million in fiscal years 1986 through 1988, respectively.

9. Estimate prepared by: Carmela Pena.

10. Estimate approved by: C.G. Nuckols for James L. Blum, Assistant Director for Budget Analysis.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(1)(4) of rule XI of the Rules of the House of Representatives, the Committee makes the following statement with regard to the inflationary impact of the reported bill:

The Committee is unaware of any inflationary impact that H.R. 2370, if enacted, would have on the economy. The legislation proposes to extend the authorities of Title VIII of the Public Health Service Act for three years. The funds authorized under the proposed legislation for fiscal year 1986 represent only an insignificant share of the Federal budget and would provide the financial support necessary to train nursing professionals. The Committee notes that the emphasis in the legislation on the education of health care providers demonstrated to be cost-effective is intended to allow early intervention and preventive measures in the control of illness. When the alternatives of subsequent, more costly therapy and institutional care—often by providers whose services are more expensive to the patient—are considered, the legislation can be seen to promote anti-inflationary policies.

SECTION-BY-SECTION ANALYSIS

Section 1 is the short title and statutory reference.

Section 2(a) amends Section 820, the Special Project Authority, to include three new program initiatives:

- (a) clinical nursing programs for acute-care, long-term care, and ambulatory care facilities;
- (b) demonstration projects for non-institutional settings; and
- (c) demonstration projects for geographical and shortage specialty areas.

For the renewed special; and the newly authorized demonstration projects, Section 2(b) authorizes \$9.5 million for fiscal year 1986, \$9.98 million for fiscal year 1987, and \$10.5 million for fiscal year 1988.

Section 3 amends Section 821, the Advanced Nurse Education authority, to direct aid to those programs that lead to masters' and doctoral degrees. The authority is reauthorized at \$16.5 million for fiscal year 1986, \$17.325 million for fiscal year 1987, and \$18.2 million for fiscal year 1988.

Section 4 amends Section 822, the Nurse Practitioner and Nurse Midwife Program, to allow nurse practitioners and nurse midwives who have received traineeships under this authority to fulfill their obligations within public health care facilities, as well as in health manpower shortage areas. The authority is reauthorized at \$12 million for fiscal year 1986, \$12.6 million for fiscal year 1987, and \$13.23 million for fiscal year 1988.

Section 5 amends Section 830, the authority for Traineeships for Advanced Education of Professional Nurses, to direct aid to those programs that lead to masters' and doctoral degrees. The Traineeship authority is reauthorized at \$11.5 million for fiscal year 1986, \$12.1 million for fiscal year 1987, and \$12.7 million for fiscal year 1988.

Section 6 amends Section 831, the Nurse Anesthetist program, to allow the making of grants for the improvement of existing programs and for faculty improvement grants. The program is reau-

thorized at \$0.8 million for fiscal year 1986, \$0.84 million for fiscal year 1987, and \$0.88 million for fiscal year 1988.

Section 7 makes technical changes in the authority for the existing revolving student loan funds at nursing schools. No authorization is made for new Federal funding of these funds.

Section 8 repeals Sections 801, 802, 803, 805 (Construction grants and loans), 810, 811 (Capitation grants), and 815 (Financial Distress grants). Section 8 also makes a number of technical and conforming amendments, including provisions for the recovery of construction assistance.

AGENCY VIEWS

No agency views were received on H.R. 2370.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

PUBLIC HEALTH SERVICE ACT

* * * * *

[TITLE VIII—NURSE TRAINING]

TITLE VIII—NURSE EDUCATION

[PART A—ASSISTANCE FOR EXPANSION AND IMPROVEMENT OF NURSE TRAINING]

PART A—SPECIAL PROJECTS

[Subpart I—Construction Assistance]

[AUTHORIZATION OF APPROPRIATIONS FOR CONSTRUCTION GRANTS]

[SEC. 801. There are authorized to be appropriated for grants to assist in the construction of new facilities for collegiate, associate degree, or diploma schools of nursing, and for grants to assist in the replacement or rehabilitation of existing facilities for such schools, \$35,000,000 for fiscal year ending June 30, 1972, \$40,000,000 for the fiscal year ending June 30, 1973, \$45,000,000 each for the fiscal years ending June 30, 1974 and June 30, 1975, \$20,000,000 for fiscal year 1976, \$20,000,000 for fiscal year 1977, \$20,000,000 for fiscal year 1978, and \$2,000,000 for the fiscal year ending September 30, 1980.

[APPROVAL OF APPLICATIONS FOR CONSTRUCTION GRANTS]

[SEC. 802. (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications for grants under this subpart for any fiscal year must be filed.

[(b) A grant for a construction project under this subpart may be made only if the application therefor is approved by the Secretary upon his determination that—

[(1) the applicant is a public or nonprofit private school of nursing providing an accredited program of nursing education;

[(2) the application contains or is supported by reasonable assurances that (A) for not less than twenty years (or in the case of itinerim facilities, within such shorter period as the Secretary shall be regulation prescribe) after completion of construction, the facility will be used for the purposes of the training for which it is to be constructed, and will not be used for secretarian instruction or as a place for religious worship, (B) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility, (C) sufficient funds will be available, when construction is completed, for effective use of the facility for the training for which it is being constructed, and (D) in the case of an application for a grant for construction to expand the training capacity of a school of nursing, the first-year enrollment at such school during the first full school year after the completion of the construction and for each of the nine years thereafter will exceed the highest first-year enrollment at such school for any of the five full school years preceding the year in which the application is made by at least 5 per centum of such highest first-year enrollment, or by five students, whichever is greater, and the requirements of this clause, (D) shall be in addition to the requirements of section 810(c) of this Act, where applicable;

[(3)(A) in the case of an application for a grant for construction of a new facility, such application is for aid in the construction of a new school of nursing, or construction which will expand the training capacity of an existing school of nursing, or (B) in the case of an application for a grant to assist in the replacement or rehabilitation of existing facilities, such application is for aid in construction which will replace or rehabilitate facilities of, or used by, an existing school of nursing, which facilities either are so obsolete as to require the school to curtail substantially either its enrollment or the quality of the training provided or are required to meet an increase in student enrollment;

[(4) the plans and specifications are in accordance with regulations relating to minimum standards of construction and equipment; and

[(5) the application contains or is supported by adequate assurances that all laborers and mechanics employed by contractors or subcontractors in the performance of work on a project will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (40 U.S.C. 276a—276a-5, known as the Davis-Bacon Act), and the Secretary of Labor shall have with respect to such labor standards the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. Appendix) and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

Before approving or disapproving an application for a construction project under this subpart, the Secretary shall secure the advice of the National Advisory Council on Nurse Training established by section 851.

[(c) In considering applications for grants, the Council and the Secretary shall take into account—

[(1)(A) in the case of a project for a new school or the expansion of the facilities of an existing school, the relative effectiveness of the proposed facilities (i) in expanding the capacity for the training of first-year students of nursing in the field involved and in promoting an equitable geographical distribution of opportunities for such training (giving due consideration to population, relative unavailability of nurses of the kind to be trained by such school, and available resources in various areas of the Nation for the training of such nurses), or (ii) in expanding the capacity of the school to provide graduate training; or

[(B) in the case of a project for replacement or rehabilitation of existing facilities of a school, the relative need for such replacement or rehabilitation to prevent curtailment of the school's enrollment or deterioration of the quality of the training provided by the school, and the relative size of any such curtailment and its effect on the geographical distribution of opportunities for training in the field of nursing involved (giving consideration to the factors mentioned in subparagraph (A)); and

[(2) in the case of an applicant in a State which has in existence a State or local area agency involved with planning for nurse training facilities, or which participates in a regional or other interstate agency involved with planning for nurse training facilities, the relationship of the application to the construction or training program which is being developed by such agency or agencies and, if such agency or agencies have reviewed such application, any comment thereon submitted by them.

[AMOUNT OF CONSTRUCTION GRANT; PAYMENTS]

[SEC. 803. (a) The amount of any grant for a construction project under this subpart shall be such amount as the Secretary determines to be appropriate after obtaining the advice of the National Advisory Council on Nurse Training; except that—

[(1) in the case of a grant—

[(A) for a project for a new school,

[(B) for a project for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations, or

[(C) for a project for major remodeling or renovation of an existing facility where such project is required to meet an increase in student enrollment,

the amount of such grant may not exceed 75 per centum of the necessary cost of construction, as determined by the Secretary, of such project; and

[(2) in the case of a grant for any other project, the amount of such grant may not, except where the Secretary determines that unusual circumstances make a larger percentage (which may in no case exceed 75 per centum) necessary in order to effectuate the purposes of this subpart, exceed 67 per centum of the necessary cost of construction, as so determined, of the project with respect to which the grant is made.

[(b) Upon approval of any application for a grant for a construction project under this subpart, the Secretary shall reserve, from any appropriation available therefor, the amount of such grant as determined under subsection (a); the amount so reserved may be paid in advance or by way of reimbursement, and in such installments consistent with construction progress, as the Secretary may determine. The Secretary's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of construction of the facility.

[(c) In determining the amount of any such grant under this subpart, there shall be excluded from the cost of construction an amount equal to the sum of (1) the amount of any other Federal grant which the applicant has obtained, or is assured of obtaining, with respect to the construction which is to be financed in part by grants authorized under this part, and (2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.]

[LOAN GUARANTEES AND INTEREST SUBSIDIES]

[SEC. 805. (a) In order to assist nonprofit private schools of nursing to carry out construction projects for training facilities, the Secretary may, during the period beginning July 1, 1971, and ending with the close of September 30, 1980, guarantee (in accordance with this section and subject to subsection (f) to non-Federal lenders or the Federal Financing Bank making loans to such schools for such construction projects payment when due of the principal of and interest on any loan for construction of such facilities if the loan was made to a school which is eligible (as determined under regulations of the Secretary) for a grant under this subpart to assist a construction project for such facilities. The Secretary may make commitments, on behalf of the United States, to make such loan guarantees prior to the making of such loans. No such loan guarantee may, except under such special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant for construction under this subpart or any other law of the United States, exceeds 90 per centum of the cost of construction of the projects.

[(b) In the case of any nonprofit private school of nursing which is eligible (as determined under regulations of the Secretary) for a grant under this subpart to assist a construction project for training facilities, and to whom a loan has been made by a non-Federal lender or the Federal Financing Bank to assist it in carrying out such project, the Secretary, during the period beginning July 1, 1971, and ending with the close of September 30, 1980, may, subject to subsection (f), pay to the holder of such loan (and for and on

behalf of the school which received such loan) amounts sufficient to reduce by not to exceed 3 per centum per annum the net effective interest rate otherwise payable on such loan.

[(c) A loan guarantee or interest subsidy payment may be made under this section only upon an application (submitted in such manner and containing such information as the Secretary may by regulations require) approved by the Secretary. The Secretary may not approve an application for a loan guarantee or interest subsidy payment unless he determines that the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States. The Secretary may not approve an application for a loan guarantee, unless he determines that the loan would not be available on reasonable terms and conditions without the guarantee under this section.

[(d)(1) The United States shall be entitled to recover from any school of nursing for whom a loan guarantee was made under this section the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

[(2) To the extent permitted by paragraph (3), any terms and conditions applicable to a loan guarantee under this section may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

[(3) Any loan guarantee made by the Secretary pursuant to this section shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, except for fraud or misrepresentation on the part of such applicant or such other person.

[(e) There is established in the Treasury a loan guarantee and interest subsidy fund (hereinafter in this subsection referred to as the "fund") which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, (1) to enable him to discharge his responsibilities under guarantees issued by him under this section, and (2) for interest subsidy payments authorized by this section. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund; except that the amount appropriated for interest subsidy payments may not exceed \$1,000,000 in the fiscal year ending June 30, 1972, \$2,000,000 in the fiscal year ending June 30, 1973, \$4,000,000 in the fiscal year ending June 30, 1974 or in the next fiscal year, \$1,000,000 in fiscal year 1976, \$1,000,000 in fiscal year 1977, and \$1,000,000 in fiscal year 1978 and in each of the next two fiscal years. There shall also be deposited in the fund amounts received by the Secretary or other property or assets derived by him from

his operations under this section, including any money derived from the sale of assets. If at any time the sums in the fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees issued by him under this section or to make interest subsidy payments authorized by this section, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriation Acts. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under the Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

[(f)(1) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this section may not exceed such limitations as may be specified in appropriation Acts.

[(2) In any fiscal year no loan guarantee may be made under subsection (a) and no agreement to make interest subsidy payments may be entered into under subsection (b) if the making of such guarantee or the entering into of such agreement would cause the cumulative total of—

[(A) the principal of the loans guaranteed under subsection (a) in such fiscal year, and

[(B) the principal of the loans for which no guarantee has been made under subsection (a) and with respect to which an agreement to make interest subsidy payments is entered into under subsection (b) in such fiscal year.

to exceed the amount of grant funds obligated under this subpart in such fiscal year for construction grants; except that this paragraph shall not apply if the amount of grant funds so obligated in such fiscal year equals the sums appropriated for such fiscal year under section 801.

[(g) The Secretary, with the consent of the Secretary of Housing and Urban Development, may obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this section as well promote efficiency and economy thereof.

[Subpart II—Capitation Grants

[CAPITATION GRANTS

[SEC. 810. (a) GRANT COMPUTATION.—The secretary shall make annual grants to schools of nursing for the support of the education programs of such schools. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year as follows:

[(1) Each collegiate school of nursing shall receive \$400 for each undergraduate full-time student enrolled in each of the last two years of such school in such fiscal year.

[(2) Each associate degree school of nursing shall receive (A) the product of \$275 and one-half of the number of full-time students enrolled in the first year of such school in such fiscal year, and (B) \$275 for each full-time student enrolled in the last year of such school in such fiscal year.

[(3) Each diploma school of nursing shall receive \$250 for each full-time student enrolled in such school in such fiscal year.

[(b) APPORTIONMENT OF APPROPRIATIONS.—If the total of the grants to be made under subsection (a) for any fiscal year to schools with approved applications exceeds the amounts appropriated under subsection (f) for such grants, the amount of the grant for that fiscal year to each such school shall be an amount which bears the same ratio to the amount determined for the school for that fiscal year under subsection (a) as the total of the amounts appropriated under subsection (f) for that year bears to the amount required to make grants to each school in accordance with subsection (a).

[(c)(1) REQUIREMENTS FOR GRANTS.—The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

[(A) the first-year enrollment of full-time students in the school in the school year beginning in the fiscal year in which the grant applied for is to be made will not be less than the first-year enrollment of such students in the school in the preceding school year; and

[(B) that the school will expand in carrying out its function as a school of nursing, during the fiscal year for which such grant is sought, and amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purposes (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought.

The requirement of subparagraph (A) shall be in addition to the requirements of section 802(b)(2)(D), where applicable.

[(2) The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless one of the following requirements is met:

[(A) The application for such grant shall contain or be supported by reasonable assurances satisfactory to the Secretary that for the school year beginning in the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

[(i) by 10 per centum of such number if such number was not more than one hundred, or

[(ii) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred.

[(B) The school has provided reasonable assurance satisfactory to the Secretary that it will carry out, in accordance with a plan submitted by the school to the Secretary and approved by him, at least two of the following programs in the school year beginning in the school year in which such grant is to be made and in each school year thereafter beginning in a school year in which such a grant is made:

[(i) In the case of collegiate schools of nursing, a program for the training of nurse practitioners (as defined in section 822).

[(ii) A program under which students enrolled in a school of nursing will receive a significant portion of their clinical training in community health centers, long-term care facilities, and ambulatory care facilities geographically remote from the main site of the teaching facilities of the school.

[(iii) A program for the continuing education of nurses which meets needs identified by appropriate State, regional, or local health or educational entities (including health systems agencies).

[(iv) A program to identify, recruit, enroll, retain, and graduate individuals from disadvantaged backgrounds (as determined in accordance with criteria prescribed by the Secretary) under which a program at least 10 per centum of each year's entering class (or ten students, whichever is greater) is comprised of such individuals.

[(d) ENROLLMENT AND GRADUATION DETERMINATIONS.—

[(1) For purposes of this part and part D, regulations of the Secretary shall include provisions relating to determination of the number of students enrolled in a school, or in a particular year-class in a school, or the number of graduates, as the case may be, on the basis of estimates or on the basis of the number of students who were enrolled in a school, or in a particular year-class in a school, or were graduates, in an earlier year, as the case may be, or on such basis as he deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

[(2) For purposes of this part and part D, the term "full-time students" (whether such term is used by itself or in connection with a particular year-class) means students pursuing

a full-time course of study in an accredited program in a school of nursing.

[(e) APPLICATION FOR NEW SCHOOLS.—In the case of a new school of nursing which applies for a grant under this section in the fiscal year preceding the fiscal year in which it will admit its first class, the enrollment for purposes of subsection (a) shall be the number of full-time students which the Secretary determines, on the basis of assurance provided by the school, will be enrolled in the school, in the fiscal year after the fiscal year in which the grant is made.

[(f) AUTHORIZATION OF APPROPRIATIONS.—

[(1) There are authorized to be appropriated \$78,000,000 for the fiscal year ending June 30, 1972, \$82,000,000 for the fiscal year ending June 30, 1973, \$88,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975, \$50,000,000 for fiscal year 1976, \$55,000,000 for fiscal year 1977, \$55,000,000 for fiscal year 1978, and \$24,000,000 for the fiscal year ending September 30, 1980, for grants under this section.

[(2) No funds appropriated under any provision of this Act (other than this subsection) may be used to make grants under this section.

APPLICATIONS FOR GRANTS

[SEC. 811. (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications under this subpart for any fiscal year must be filed.

[(b) The Secretary shall not approve or disapprove any application for a grant under this subpart except after consultation with the National Advisory Council on Nurse Training.

[(c) A grant under this subpart may be made only if the application therefor—

[(1) is from a public or nonprofit private school of nursing;

[(2) contains such additional information as the Secretary may require to make the determinations requested of him under this subpart and such assurances as he may find necessary to carry out the purposes of this subpart; and

[(3) provides for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under this subpart.

[SUBPART III—FINANCIAL DISTRESS GRANTS

[FINANCIAL DISTRESS GRANTS

[SEC. 815. (a) The Secretary may make grants to assist public or nonprofit private schools of nursing which are in serious financial straits to meet operational costs required to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements. Any such grant may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree (1) to disclose any financial information or data

deemed by the Secretary to be necessary to determine the sources or causes of that school's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, and (3) to carry out appropriate operational and financial reforms on the basis of information in the course of the comprehensive cost analysis study or on the basis of other relevant information.

[(b)(1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training.

[(2) An application for a grant under subsection (a) must contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought. The Secretary may, after consultation with the National Advisory Council on Nurse Training, waive the requirement of the preceding sentence with respect to any school if he determines that the application of such requirement to such school would be inconsistent with the purposes of subsection (a).

[(c) For payments under grants under this section there are authorized to be appropriated \$5,000,000 for fiscal year 1976, \$5,000,000 for fiscal year 1977, \$5,000,000 for fiscal year 1978, \$3,000,000 for the fiscal year ending September 30, 1982, \$2,000,000 for the fiscal year ending September 30, 1983, and \$1,000,000 for the fiscal year ending September 30, 1984.]

[SUBPART IV—SPECIAL PROJECTS]

SPECIAL PROJECT GRANTS AND CONTRACTS

SEC. 820. (a) The Secretary may make grants to public and non-profit private schools of nursing and other public or nonprofit private entities, and enter into contracts with any public or private entity, to meet the costs of special projects to—

(1) increase nursing education opportunities for individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

* * * * *

[(4) help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel (including nursing personnel who are bilingual) needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care; or]

(4) *demonstrate improved geriatric training in preventive care, acute care, and long-term care (including both home health care and institutional care);*

(5) provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel. [.]

(6) demonstrate clinical nurse education programs which combine educational curricula and clinical practice in health care delivery organizations, including acute care facilities, long-term care facilities, and ambulatory care facilities;

(7) demonstrate methods to improve access to nursing services in noninstitutional settings through support of nursing practice arrangements in communities; or

(8) demonstrate methods to encourage nursing graduates to practice in health manpower shortage areas (designated under section 332) in order to improve the specialty and geographical distribution of nurses in the United States.

(d) [For payments under grants and contracts under this section there are authorized to be appropriated \$15,000,000 for fiscal year 1976, \$15,000,000 for fiscal year 1977, \$15,000,000 for fiscal year 1978, \$17,000,000 for the fiscal year ending September 30, 1980, \$10,000,000 for the fiscal year ending September 30, 1982, \$10,500,000 for the fiscal year ending September 30, 1983, and \$11,000,000 for the fiscal year ending September 30, 1984.] For payments under grants and contracts under subsection (a), there are authorized to be appropriated \$9,500,000 for fiscal year 1986, \$9,980,000 for fiscal year 1987, and \$10,500,000 for fiscal year 1988. Of the funds appropriated under this subsection for any fiscal year beginning after September 30, 1981, 1985, not less than 20 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(1), not less than 20 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(4), and not less than 10 percent of the funds shall be obligated for payments under grants and contracts for special projects described in subsection (a)(5).

[ADVANCED NURSE TRAINING PROGRAMS]

[SEC. 821. (a) The Secretary may make grants to and enter into contracts with public and nonprofit private collegiate schools of nursing to meet the costs of projects to—

- [(1) plan, develop, and operate,
- [(2) significantly expand, or
- [(3) maintain existing

programs for the advanced training of professional nurses to teach in the various fields of nurse training, to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties (including service as nurse clinicians) determined by the Secretary to require advanced training.

[(b) For payments under grants and contracts under this section there are authorized to be appropriated \$15,000,000 for fiscal year 1976, \$20,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, \$13,000,000 for fiscal year ending September 30, 1980, \$14,000,000 for the fiscal year ending September 30, 1982,

\$15,000,000 for the fiscal year ending September 30, 1983, and \$16,000,000 for the fiscal year ending September 30, 1984.】

ADVANCED NURSE EDUCATION

SEC. 821. (a) *The Secretary may make grants to and enter into contracts with public and private nonprofit collegiate schools of nursing to meet the costs of projects to—*

- (1) *plan, develop, and operate,*
- (2) *expand, or*
- (3) *maintain,*

programs which lead to masters' and doctoral degrees and which prepare nurses to serve as nurse educators, administrators, or researchers or to serve in clinical nurse specialties determined by the Secretary to require advanced education. The Secretary shall give priority to applications for projects for geriatric and gerontological nursing.

(b) *For payments under grants and contracts under subsection (a), there are authorized to be appropriated \$16,500,000 for fiscal year 1986, \$17,325,000 for fiscal year 1987, and \$18,200,000 for fiscal year 1988.*

【NURSE PRACTITIONER PROGRAMS】

NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS

SEC. 822. (a)【(1) *The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—*

- (A) *plan, develop, and operate,*
- (B) *significantly expand, or*
- (C) *maintain existing,*

programs for the training of nurse practitioners. The Secretary shall give special consideration to applications for grants or contracts for programs for the training of nurse practitioners who will practice in health manpower shortage areas (designated under section 332) and for the training of nurse practitioners which emphasize training respecting the special problems of geriatric patients and training to meet the particular needs of nursing home patients.】

(1) *The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing and public health, public or nonprofit private schools of medicine which received grants or contracts under this subsection before to October 1, 1985, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—*

- (A) *plan, develop, and operate,*
- (B) *expand, or*
- (C) *maintain,*

programs for the education of nurse practitioners and nurse midwives. The Secretary shall give special consideration to applications for grants or contracts for programs for the education of nurse practitioners and nurse midwives who will practice in health manpower

shortage areas (designated under section 332) and for the education of nurse practitioners which emphasize education respecting the special problems of geriatric patients (including the problems in the delivery of preventive care, acute care, and long-term care (including both home health care and institutional care) to such patients) and education to meet the particular needs of nursing home patients and patients who are confined to their homes.

[(2)(A) For purpose of this section, the term "programs for the training of nurse practitioners" means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions.]

(2)(A) For purposes of this section, the term "programs for the education of nurse practitioners and nurse midwives" means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to provide effectively primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities (where appropriate), and other health care institutions.

(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for the [training] education of nurse practitioners and nurse midwives. Such guidelines shall, as a minimum, require that such a program—

(i) extend for at least one academic year and consist of—

(I) supervised clinical practice, and

(II) at least four months (in the aggregate) of classroom instruction,

directed toward preparing nurses to deliver primary health care; and

(ii) have an enrollment of not less than eight students.

(b)(1) The Secretary may make grants to and enter into contracts with schools of [nursing, medicine, and public health,] *nursing and public health, schools of medicine which received grants or contracts under this subsection before October 1, 1984, public or non-profit private hospitals, and other nonprofit entities to establish and operate traineeship programs to train nurse practitioners and nurse midwives.* In considering applications for a grant or contract under this subsection, the Secretary shall give special consideration to applications for traineeships to train individuals who are residents of health manpower shortage areas designated under section 332.

(2) Traineeships funded under this subsection shall include 100 percent of the costs of tuition, reasonable living and moving ex-

penses (including stipends), books, fees, and necessary transportation.

(3) A traineeship funded under this subsection shall not be awarded unless the recipient enters into a commitment with the Secretary to practice as a nurse practitioner or nurse midwife in a health manpower shortage area (designed under section 332) or in a public health care facility for a period equal to one month for each month for which the recipient receives such a traineeship.

(c) No grant may be made or contract entered into for a project to plan, develop, and operate a program for the [training] education of nurse practitioners and nurse midwives unless this application for the grant or contract contains assurances satisfactory to the Secretary that the program will upon its development meet the guidelines which are in effect under subsection (a)(2)(B); and no grant may be made or contract entered into for a project to expand or maintain such a program unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program meets the guidelines which are in effect under such subsection.

[(d) The costs for which a grant or contract under this section may be made may include costs of preparation of faculty members in order to conform to the guidelines established under subsection (a)(2)(B).]

(d) For payments under grants and contracts under this section there are authorized to be appropriated \$12,400,000 for fiscal year 1986, \$12,600,000 for fiscal year 1987, \$13,230,000 for fiscal year 1988.

[(e) For payments under grants and contracts under this section there are authorized to be appropriated \$15,000,000 for fiscal year 1976, \$20,000,000 for fiscal year 1977, \$25,000,000 for fiscal year 1978, \$15,000,000 for fiscal year ending September 30, 1980, \$12,000,000 for the fiscal year ending September 30, 1982, \$13,000,000 for the fiscal year ending September 30, 1983, and \$14,000,000 for the fiscal year ending September 30, 1984.]

PART B—ASSISTANCE TO NURSING STUDENTS

Subpart I—Traineeships

TRAINEESHIPS FOR ADVANCED [TRAINING] EDUCATION OF PROFESSIONAL NURSES

SEC. 830. (a) [(1) The Secretary may make grants to public or private nonprofit institutions to cover the costs of traineeships for the training of professional nurses—

(A) to teach in the various fields of nurse training (including practical nurse training),

(B) to serve in administrative or supervisory capacities,

(C) to serve as nurse practitioners, or

(D) to serve in other professional nursing specialties determined by the Secretary to require advanced training.]

(1kA) The Secretary may make grants to public or nonprofit private schools of nursing and public health, public or nonprofit pri-

vate hospitals, and other public or nonprofit private entities to cover the cost of traineeships for nurses in masters' degree and doctoral degree programs in order to educate such nurses to—

- (i) serve in and prepare for practice as nurse practitioners,
- (ii) serve in and prepare for practice as nurse administrators, nurse educators, and nurse researchers, or
- (iii) serve in and prepare for practice in other professional nursing specialties determined by the Secretary to require advanced education.

(B) The Secretary may make grants to public and private nonprofit schools of nursing and appropriate public and private nonprofit entities to cover the cost of traineeships to educate nurses to serve in and prepare for practice as nurse midwives.

(b) [There are authorized to be appropriated for the purposes of this section \$15,000,000 for the fiscal year ending June 30, 1976, \$20,000,000 for the fiscal year ending September 30, 1977, and \$25,000,000 for the fiscal year ending September 30, 1978, \$15,000,000 for the fiscal year ending September 30, 1980, \$10,000,000 for the fiscal year ending September 30, 1982, \$10,500,000 for the fiscal year ending September 30, 1983, and \$11,000,000 for the fiscal year ending September 30, 1984. Not less than 25 percent of the funds appropriated under this subsection for any fiscal year shall be obligated for traineeships described in subsection (a)(1)(A), except that if the obligation of that amount of the funds appropriated under this subsection will prevent the continuation of a traineeship to an individual who received a traineeship under subsection (a) for the fiscal year ending September 30, 1981, the Secretary shall reduce the amount to be obligated for traineeships described in subsection (a)(1)(A) by such amount as may be necessary for the continuation of traineeships first awarded in such fiscal year.] There are authorized to be appropriated for the purposes of subsection (a), \$11,500,000 for fiscal year 1986, \$12,100,000 for fiscal year 1987, \$12,700,000 for fiscal year 1988. Priority in the award of traineeships under subsection (a)(1)(C) shall go to nurse midwife trainees.

[TRAINESHIPS FOR TRAINING OF] NURSE ANESTHETISTS

SEC. 831. (a)(1) The Secretary may make grants to public or private nonprofit institutions to cover the costs of traineeships for the training, in programs which meet such requirements as the Secretary shall by regulation prescribe and which are accredited by an entity or entities or entities designated by the [Commissioner] Secretary of Education, of licensed, registered nurses to be nurse anesthetists.

(2) Payments to institutions under this subsection may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

(b) The Secretary may make grants to public or private nonprofit institutions to cover the cost of projects to improve existing programs for the education of nurse anesthetists which are accredited by an entity or entities designated by the Secretary of Education. Such grants shall include grants to such institutions for the purpose of providing financial assistance and support to certified registered nurse anesthetists who are faculty members of accredited programs to enable such nurse anesthetists to obtain advanced education relevant to their teaching functions.

[(b) For the purpose of making grants under subsection (a), there are authorized to be appropriated \$2,000,000 for the fiscal year ending September 30, 1980, \$400,000 for the fiscal year ending September 30, 1983, and \$800,000 for the fiscal year ending September 30, 1984.]

(c) For the purpose of making grants under this section there are authorized to be appropriated \$800,000 for fiscal year 1986, \$840,000 for fiscal year 1987, \$880,000 for fiscal year 1988. Not more than 20 percent of the amount appropriated under this subsection for any fiscal year shall be obligated for grants described in the second sentence of subsection (b).

Subpart II—Student Loans

ALLOTMENTS AND PAYMENTS OF FEDERAL CAPITAL CONTRIBUTIONS

SEC. 838. [(a) From the sums appropriated pursuant to section 837 for any fiscal year, the Secretary shall allot to each school an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in such school bears to the total number of persons enrolled on a full-time basis in all schools of nursing in all the States. The number of persons enrolled on a full-time basis in schools of nursing for purposes of this section shall be determined by the Secretary for the most recent year for which satisfactory data are available to him. For purposes of allotments under this section, a school of nursing also includes any school with which the Secretary has, prior to the time the allotment is made entered into an agreement for establishment of a student loan fund under this subpart. Funds available in any fiscal year for payment to schools under this subpart which are in excess of the amount appropriated pursuant to section 837 for that year shall be allotted among States and among schools within States in such manner as the Secretary determines will best carry out the purposes of this subpart.

[(b)(1) The Secretary shall from time to time set dates by which schools of nursing in a State must file applications for Federal capital contributions from the allotment of such State under the first two sentences of subsection (a) of this section.

[(2) If the total of the amounts requested for any fiscal year in such applications which are made by schools in a State exceeds the amount of the allotment of such State for that fiscal year, the amounts to be paid to the loan fund of each such school shall be reduced to whichever of the following is the smaller: (A) the amount requested in its application or (B) an amount which bears

the same ratio to the amount of the allotment of such State as the number of students who will be enrolled full time in such school during such fiscal year bears to the total number of students who will be enrolled full time in all such schools in such State during such year. Amounts remaining after allotment under the preceding sentence shall be redistributed in accordance with clause (B) of such sentence among schools which in their applications requested more than the amounts so paid to their loan funds, but with such adjustments as may be necessary to prevent the total paid to any such school's loan fund from exceeding the total so requested by it. If the total of the amounts requested for any fiscal year in such applications which are made by schools in a State is less than the amount of the allotment of such State for that fiscal year, the Secretary may reallocate the remaining amount from time to time, on such date or dates as he may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year. For the purpose of this section, the number of students who graduated from secondary schools in each State during a fiscal year and the number of students who will be enrolled full time in schools of nursing in each State shall be estimated by the Secretary on the basis of the best information available to him; and in making such estimates, the number of students enrolled full time in any collegiate school of nursing shall be deemed to be twice their actual number.]

(a)(1) *The Secretary shall from time to time set dates by which schools of nursing must file applications for Federal capital contributions.*

(2)(A) *If the total of the amounts requested for any fiscal year in applications under paragraph (1) exceeds the total amount appropriated under section 837 for that fiscal year, the allotment from such total amount to the loan fund of each school of nursing shall be reduced to whichever of the following is the smaller:*

(i) *The amount requested in its application.*

(ii) *An amount which bears the same ratio to the total amount appropriated as the number of students estimated by the Secretary to be enrolled on a full-time basis in such school during such fiscal year bears to the estimated total number of students enrolled in all such schools on a full-time basis during such year.*

(B) *Amounts remaining after allotment under subparagraph (A) shall be reallocated in accordance with clause (ii) of such subparagraph among schools whose applications requested more than the amounts so allotted to their loan funds, but with such adjustments as may be necessary to prevent the total allotted to any such school's loan fund under this paragraph and paragraph (3) from exceeding the total so requested by it.*

(3) *Funds which, pursuant to section 839(c) or pursuant to a loan agreement under section 835, are returned to the Secretary in any fiscal year, shall be available for allotment in such fiscal year and in the fiscal year succeeding such fiscal year. Funds described in the preceding sentence shall be allotted among schools of nursing in such manner as the Secretary determines will best carry out this subpart, except that in making such allotments, the Secretary shall*

give priority to schools of nursing which established student loan funds under this subpart after September 30, 1975.

(b) Allotments to a loan fund of a school shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.

DISTRIBUTION OF ASSETS FROM LOAN FUNDS

SEC. 839. (a) After September 30, [1987,] 1991, and not later than December 31, [1987,] 1991, there shall be a capital distribution of the balance of the loan fund established under an agreement pursuant to section 835(b) by each school as follows:

(1) The Secretary shall first be paid an amount which bears the same ratio to such balance in such fund at the close of September 30, [1987,] 1991, as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 835(b)(2)(A) bears to the total amount in such fund derived from such Federal capital contributions and from funds deposited therein pursuant to section 835(b)(2)(B).

(2) The remainder of such balance shall be paid to the school.

(b) After December 31, [1987,] 1991, each school with which the Secretary has made an agreement under this subpart shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school after September 30, [1987,] 1991, in payment of principal or interest on loans made from the loan fund established pursuant to such agreement as was determined for the Secretary under subsection (a).

(c)(1) Within 90 days after the termination of any agreement with a school under section 835 or the termination in any other manner of a school's participation in the loan program under this subpart, such school shall pay to the Secretary, from the balance of the loan fund of such school established under section 835, an amount which bears the same ratio to the balance in such fund on the date of such termination as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section 835(b)(2)(A) bears to the total amount in such fund on such date derived from such Federal capital contributions and from funds deposited in the fund pursuant to section 835(b)(2)(B). The remainder of such balance shall be paid to the school.

(2) A school to which paragraph (1) applies shall pay to the Secretary, after the date on which payment is made under such paragraph and not less than quarterly, the same proportionate share of amounts received by the school after the date of termination referred to in paragraph (1) in payment of principal or interest on loans made from the loan fund as was determined for the Secretary under such paragraph.

GENERAL PROVISIONS

SEC. 842. (a) The Secretary is authorized to attempt to collect any loan which was made under this subpart, which is in default, and

which was referred to the Secretary by a school with which the Secretary has an agreement under this subpart. Such a collection shall be made on behalf of such school under such terms and conditions as the Secretary may prescribe (including reimbursement from the school's student loan fund for expenses the Secretary may reasonably incur in attempting collection). Such a collection may be made only if the school has complied with such requirements as the Secretary may specify by regulation with respect to the collection of loans under this subpart. A loan referred for collection shall be treated as a debt subject to section 5514 of title 5, United States Code. Amounts collected shall be deposited in the school's student loan fund. Whenever the Secretary desires the institution of a civil action regarding such loan, the Secretary shall refer the matter to the Attorney General for appropriate action.

(b) In any case in which the Secretary intends to terminate an agreement with a school under this subpart, the Secretary shall provide the school with a written notice specifying such intention and stating that the school may request a formal hearing with respect to such termination. If the school requests such a hearing within 30 days after the receipt of such notice, the Secretary shall provide such school with a hearing conducted by an administrative law judge.

PART C—GENERAL

NATIONAL ADVISORY COUNCIL ON NURSE TRAINING; REVIEW COMMITTEE

SEC. 851. (a) There is hereby established a National Advisory Council on Nurse Training, consisting of the Secretary or his delegate, who shall be Chairman, and an ex officio member, and nineteen members appointed by the Secretary without regard to the civil service laws. Three of the appointed members shall be selected from full-time students enrolled in schools of nursing, four of the appointed members shall be selected from the general public and twelve shall be selected from among leading authorities in the various fields of nursing, higher, and secondary education, and from representatives of hospitals and other institutions and organizations which provide nursing services. The student-members of the Council shall be appointed for terms of one year and shall be eligible for reappointment to the Council.

(b) The Council shall advise the Secretary or his delegate in the preparation of general regulations and with respect to policy matters arising in the administration of this title [], and in the review of applications for construction projects under subpart I of part A, of applications under section 805, and of applications under subpart III of part A].

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DEFINITIONS

SEC. 853. For purposes of this title—

(1) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, [the Canal Zone], the Com-

monwealth of the Northern Mariana Islands, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands.

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[(6) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education, except that a program, or a hospital, school, college, or university (or unit thereof), which is not, at the time of the application under this title, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed accredited for purposes of this title in the following cases if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the program, or the hospital, school, college, or university (or unit thereof), will meet the accreditation standards of such body or bodies (A) in the case of an applicant under subpart I of part A for a grant for a project for construction of a new school (which shall include a school that has not had a sufficient period of operation to be eligible for accreditation), (i) upon completion of such project and other construction projects (if any) then under construction or planned and to be commenced within a reasonable time, or (ii) if later, then prior to the beginning of the first academic year following the normal graduation date of the first entering class in such school; (B) in the case of a school applying for a grant under section 810 for any fiscal year, prior to the beginning of the first academic year following the normal graduation date of the class which is the entering class for such fiscal year (or is the first such class in such year if there is more than one); and (C) in the case of a school seeking an agreement under section 835 for establishment of a student loan fund, prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the agreement with such school is made under section 835; except that the provisions of this clause shall not apply for purposes of section 838. For the purpose of this paragraph, the Secretary of Education shall publish a list of recognized accrediting bodies, and of State agencies, which he determines to be reliable authority as to the quality of training offered.]

(6) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education, except that a school of nursing seeking an agreement under subpart II of part B for the establishment of a

student loan fund, which is not, at the time of the application under such subpart, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed accredited for purposes of such subpart if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the agreement with such school is made under such subpart; except that the provisions of this clause shall not apply for purposes of section 838. For the purpose of this paragraph, the Secretary of Education shall publish a list of recognized accrediting bodies, and of State agencies, which the Secretary of Education determines to be reliable authority as to the quality of education offered.

• • • • • [RECAPTURE OF PAYMENTS]

[SEC. 804. If, within twenty years (or in the case of interim facilities, within such shorter period as the Secretary shall by regulation prescribe) after completion of any construction for which funds have been paid under this subpart—

[(1) the applicant or other owner of the facility shall cease to be a public or nonprofit private school, or

[(2) the facility shall cease to be used for the training purposes for which it was constructed (unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so), or

[(3) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.]

RECOVERY FOR CONSTRUCTION ASSISTANCE

SEC. 858. (a) If at any time within 20 years (or within such shorter period as the Secretary may prescribe by regulation for an interim facility) after the completion of construction of a facility with respect to which funds have been paid under subpart I of part A (as such subpart was in effect on September 30, 1984)—

(1) the facility is sold or transferred to an entity which is not a public or nonprofit school or the owner shall cease to be a public or nonprofit school,

(2) the facility shall cease to be used for the training purposes for which it was constructed, or

(3) the facility is used for sectarian instruction or as a place for religious worship, the United States shall be entitled to recover, whether from the transferor or the transferee (or, in the case of a facility which has ceased to be a public or nonprofit school or to be used for a purpose referred to in paragraph (2) or is used for sectarian instruction or religious worship, from the owners thereof) an amount determined under subsection (c).

(b) The transferor of a facility which is sold or transferred as described in paragraph (1) of subsection (a), the owner of a facility which ceases to be a public or nonprofit school, or the owner of a facility the use of which is changed as described in paragraph (2) or (3) of subsection (a), shall provide the Secretary written notice of such sale, transfer, or change—

(1) not later than—

(A) ten days after the date on which such sale, transfer, or change of use occurs, in the case of a facility which is sold or transferred or the use of which changes on or after the date of the enactment of this subsection, or

(B) thirty days after the date of the enactment of this subsection, in the case of a facility which was sold or transferred or the use of which changed before the date of the enactment of this subsection, or

(2) if the Secretary determines that such notice with respect to such change should more appropriately be made in the annual report to the Secretary of the person required to provide such notice, in the first such report after such change.

(c)(1) Except as provided in paragraph (2), the amount the United States shall be entitled to recover under subsection (a) is an amount bearing the same ratio to the then value (as determined by the agreement of the parties or in an action brought in the district court of the United States for the district for which the facility involved is situated) of so much of the facility as constituted an approved project or projects as the amount of the Federal participation bore to the cost of the construction of such project or projects.

(2)(A) After the expiration of—

(i) 180 days after the date of the sale, transfer, or change of use for which a notice is required by subsection (b) in the case of a facility which is sold or transferred or the use of which changes on or after the date of the enactment of this subsection, or

(ii) thirty days after the date of enactment of this subsection or, if later 180 days after the date of the sale, transfer, or change of use for which a notice is required by subsection (b), in the case of a facility which was sold or transferred or the use of which changed before the date of the enactment of this subsection,

the amount which the United States is entitled to recover under paragraph (1) with respect to a facility shall be the amount prescribed by paragraph (1) plus interest, during the period described in subparagraph (B), at a rate (determined by the Secretary) based on the average of the bond equivalent of the weekly ninety-one-day Treasury bill auction rate.

(B) The period referred to in subparagraph (A) is the period beginning—

(i) in the case of a facility which was sold or transferred or the use of which changed before the date of the enactment of this subsection, thirty days after such date or if later 180 days after the date of the sale, transfer, or change of use for which a notice is required by subsection (b),

(ii) in the case of a facility which was sold or transferred or the use of which changes on or after the date of enactment of this subsection, and with respect to which notice is provided in accordance with subsection (b), upon the expiration of 180 days after the receipt of such notice, or

(iii) in the case of a facility which was sold or transferred or the use of which changes on or after the date of enactment of this subsection, and with respect to which such notice is not provided as prescribed by subsection (b), on the date of the sale, transfer, or changes for which such notice was to be provided, and ending on the date the amount the United States is entitled to under paragraph (1) is collected.

(d) The Secretary may waive the recovery rights of the United States under subsection (a)(2) with respect to a facility in any State if the Secretary determines, in accordance with regulations, that there is good cause for waving such rights with respect to such facility.

(e) The right of recovery of the United States under subsection (a) shall not constitute a lien on any facility with respect to which funds have been paid under this title.

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ADDITIONAL VIEWS OF CONGRESSMEN WALGREN,
SCHEUER, WIRTH, SYNAR, AND RICHARDSON ON H.R.
2370, THE NURSE EDUCATION ACT OF 1985

Nurses are the largest single health professions group in the country today and are probably the most versatile of health professionals. Having broad experience, they often have broad responsibilities. In many hospitals and nursing homes, nurses are often the only professionals on duty around the clock.

Nursing education in the 1980s faces a tremendous challenge, a challenge that could turn into a crisis: how to deal with the medical needs of the increasing number of elderly in our population. H.R. 2370 includes several special emphases on geriatric training for nurses, directing the Public Health Service to give priority to training projects in geriatric nursing.

By the year 2000, the number of Americans over age 65 will increase by 10 million and the number of people over age 85 will double. The elderly will make 40 percent more doctors visits and require 50 percent more hospital care. Health care expenditures for older people are generally three and one half times that of people under 65.

CARE INADEQUATE TODAY

Several studies have revealed that nursing care of the elderly today is hardly in excess. The average nursing home patient in a skilled nursing facility receives only 12 minutes of direct care by a registered nurse per day and only 7 minutes per day in an intermediate care facility. Only 22 percent of nursing homes have a registered nurse on duty around the clock. In many cases, nursing functions are performed by aides and licensed practical nurses.

Perhaps more compelling than the raw numbers is the finding of the National Academy of Sciences on the quality of health care for the elderly:

There is a tendency for nurses and physicians alike to inappropriately dismiss treatable symptoms, too often automatically regarding them as part of an inevitable, irreversible process of aging. The result is unnecessary disability and institutionalization. Many elderly could remain at home, or in a less restrictive environment, if a greater emphasis were placed on their special needs * * *

The Academy has observed that the largest single group that suffers from lack of adequate nursing services today is the elderly. Thus, even with the nurses we have, the elderly are not getting proper health care.

NURSING CARE IN THE FUTURE

The problem of providing adequate nursing care to the elderly is only going to get worse in the future. There will be more elderly people and there will be more elderly people with disabilities (now 45 percent of all elderly). If current training, salary and staffing levels continue, an insufficient number of nurses will be attracted to geriatric nursing. In addition, changes in health care financing and delivery are expected to place more responsibility on nurses. Predictions are that nurses will provide up to 50 percent of outpatient care to the elderly now provided by doctors.

The 1981 White House Conference on Aging predicted a shortfall of 75,000 nurses in institutional long-term care and 20,000 geriatric nurse practitioners. Assuming current staffing patterns, 250,000 more RNs will be needed by 2000. Our needs for community health nurses to provide home health care for the 95 percent of elderly who live at home will double by 1990.

What is the status of training today? In the 1,400 nursing education programs for institutional care, only one in ten have specific courses in geriatric nursing. Less than 1 percent of nurses hold master's or doctoral degrees with a primary focus on geriatrics. The National Institute on Aging has observed that the largest single problem in strengthening the geriatric content of nursing education is the inadequate preparation of faculty. NIA predicts that 2,000 faculty members are needed to teach geriatric nursing.

In the bill, the special emphasis on geriatrics in special projects, the nurse practitioner program and the advanced nurse education program is an effort to respond to these gaps in our health care system. Encouraging good training is only half the battle. We also have to design financing programs to attract and retain capable and concerned people to geriatric nursing. Turnover rates in nursing homes are over 100 percent per year; employee benefits in nursing homes are woefully inadequate. Scotland and Scandinavia have a markedly different approach—they give salary bonuses to staff who work in geriatrics and long-term care. Our values are now facing a crucial test with respect to health care for the elderly and we must decide if we care enough to create a health care system that will meet their needs.

MIKE SYNAR.
JAMES SCHEUER.
BILL RICHARDSON.
TIM WIRTH.